INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

TAX Map #5

IN RE:

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB-09-1020-2621

ELECTIONS: V-530176

(hereinafter "Subject Drilling Unit")

### REPORT OF BOARD

### FINDINGS AND ORDER

This Supplemental Order is entered by the Board sua sponte in the form 1. authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on February 9, 2010, and recorded in Deed Book 475, Page 332 in the Office of the Clerk of the Circuit Court for Dickenson County, Virginia on March 17, 2010, (herein "Board Order") and (2) to complete the record regarding elections. The Board Order established a drilling unit and pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

### 2. <u>Findings</u>: The Board finds that:

- (a) The Board Order directed Range Resources-Pine Mountain, Inc., (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;
- (b) The Designated Operator filed its affidavit of mailing dated May 14, 2010, disclosing that it had mailed a correct copy of the Board's

Order to all Respondents whose interests, if any, were pooled by said Board Order;

- The Board Order required each Respondent whose interests, if (c) any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated June 5, 2010, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.7C (herein "Affidavit of Elections" annexed hereto), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election(s) made, if any; and (iii) whether, by reason of failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;
- (d) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, Trust Division, P. O. Box 3860, Kingsport, Tennessee 37664; Tel: (423) 246-3700; Attn: Debbie Davis, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated July 18, 2006. The Affidavit of Elections indicates that the escrow of funds is required with regard to V-530176.
- 3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at Paragraph 2 above, to the extent escrow was required and to the extent it pertained to the elections and interests of the Respondents who have entered into a royalty split agreement and no longer require escrow of any funds, the Applicant is hereby directed to provide the Board with reconciliation of its and the Escrow Agent's records so that any funds affected by this Order may be disbursed in an appropriate manner.
- 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Supplemental Order stating that a true and correct copy of this Supplemental Order was mailed within seven (7) days from the date of

receipt of this Supplemental Order to each Respondent whose address is known.

- 5. <u>Conclusion</u>: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.
- 6. <u>Effective Date</u>: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 29 day of , 2011, by a majority of the Virginia Gas and Oil Board.
Chairman, Bradley C Lambert
DONE AND PERFORMED this 29th day of November, 2011, by Order of the Board.
Rick Cooper  (Acting) Principal Executive to the Staff, Virginia Gas and Oil Board
STATE OF VIRGINIA COUNTY OF RUSSELL  Acknowledged on this
Diane Davis, Notary Public 174394

My commission expires: September 30,2013

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### VIRGINIA:

### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Range Resources-Pine Mountain. Inc, for the Establishment of a Drilling Unit and Forced Pooling of Interests in V-530176, Docket No. VGOB-09-1020-2621 in the Kenady District, Caney Ridge Quadrangle, Dickenson County, Virginia.

AFFIDAVIT OF MCKINNIS & SCOTT, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

Timothy E. Scott (herein Affiant), being duly sworn on oath, deposes and says:

- 1. That the Affiant is an attorney in the law firm of MCKINNIS & SCOTT, the Agent for the Designated Operator, with offices located at 135 W. Main Street, Suite 200, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
- That the Order entered on February 9, 2010, by the Virginia Gas and Oil Board regarding the captioned conventional gas unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
- 3. That within seven (7) days of the receipt of an executed and recorded copy of the Order referred to at Paragraph 2, above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Lebanon, Virginia;
- 4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender written notice of their election of the option selected under Paragraph 9 of the Order to the Designated Operator within thirty (30) days from the date of receipt of a copy of the recorded Order;
- 5. That the Designated Operator, by and through its agent, McKinnis & Scott, Attorneys-at-Law, has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order;

that said procedures were followed to identify the elections, if any, made with regard to Subject Drilling Unit; that the following persons or entities delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day elections period:

#### NONE

6. That the interest and/or claims of the following persons or entities (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the Subject Drilling Unit, as conflicting:

### See Exhibit E

7. That after the pooling hearing held in the captioned matter, the following persons or entities have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims:

Lessor	Interest Within Unit	Gross Acreage in Unit
Troy O. & Linda Freeman Jr. 11618 DC Caney Ridge Road Coeburn, VA 24230	1.66714286	1.87857143
Terry & Jonnie Gail Freeman 354 Ellis Road Blountville, TN 37617	1.66714286	1.87857143
Sharon & Allen Wayne Hale 12407 Boxer Road Coeburn, VA 24230	1.66714286	1.87857143
Mattie & Roy A. Cain 1001 Aberdeen Trail Kingsport, TN 37664	1.66714286	1.87857143
Helen & Charles Artrip 2116 Lynn Mountain Road Vale, NC 28168-7501	1.66714286	1.87857143



Virginia Freeman 1015 SW 36 <sup>th</sup> Street Palm City, FL 34990	1.66714286	1.87857143
Troy O. Freeman c/o Mary Ann & Doug Connell P.O. Box 873 Indian Town, FL 34956	0.33342857	0.37571429
Tabitha Freeman c/o Mary Ann & Doug Connell P.O. Box 873 Indian Town, FL 34956	0.33342857	0.37571429
Amanda Freeman 198 Chadwell Road Kingsport, TN 37660	0.33342857	0.37571429
Jerry William & Dee Freeman 1304 Holyoke Street Apt. 23 Kingsport, TN 37664-2447	0.33342857	0.37571429
Jerry Willie Freeman, Jr. 3019 Warrior Road Lenoir, NC 28645	0.33342857	0.37571429

8. That the Designated Operator with regard to persons previously requiring the services of the Escrow Agent have now reached an agreement regarding their interests or claims that allows Applicant/Designated Operator to make royalty distribution without the need to escrow funds which would otherwise be in conflict:

#### NONE

9. That the Respondents identified in Exhibit B-3 hereto have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective oil and gas rights, interests and claims shall be deemed to have leased to Applicant/Designated Operator pursuant to and in accordance with Paragraph 10 of the Board Order dated February 9, 2010:

#### See Revised Exhibit B-3

10. The Designated Operator requests that the following persons be dismissed as Respondents:



Lessor	Interest Within Unit	Gross Acreage in Unit
Troy O. & Linda Freeman Jr. 11618 DC Caney Ridge Road Coeburn, VA 24230	1.66714286	1.87857143
Terry & Jonnie Gail Freeman 354 Ellis Road Blountville, TN 37617	1.66714286	1.87857143
Sharon & Allen Wayne Hale 12407 Boxer Road Coeburn, VA 24230	1.66714286	1.87857143
Mattie & Roy A. Cain 1001 Aberdeen Trail Kingsport, TN 37664	1.66714286	1.87857143
Helen & Charles Artrip 2116 Lynn Mountain Road Vale, NC 28168-7501	1.66714286	1.87857143
Virginia Freeman 1015 SW 36 <sup>th</sup> Street Palm City, FL 34990	1.66714286	1.87857143
Troy O. Freeman c/o Mary Ann & Doug Connell P.O. Box 873 Indian Town, FL 34956	0.33342857	0.37571429
Tabitha Freeman c/o Mary Ann & Doug Connell P.O. Box 873 Indian Town, FL 34956	0.33342857	0.37571429
Amanda Freeman 198 Chadwell Road Kingsport, TN 37660	0.33342857	0.37571429

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Jerry William & Dee Freeman 1304 Holyoke Street Apt. 23

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0.37571429

Kingsport, TN 37664-2447

Jerry Willie Freeman, Jr.

0.33342857

0.37571429

3019 Warrior Road Lenoir, NC 28645

That pursuant to the provisions of 4VAC 25-160.70.A.10 and .C and VAC 25-160-80, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D and 45.1-361.22.A.3 and .4.

Dated at Kingsport, Tennessee, this 5 day of June, 2010.

Taken, subscribed and sworn to before me by Timothy E. Scott, the Agent for Range Resources-Pine Mountain, Inc., a corporation, on behalf of the corporation, this 5th day of June, 2010.

My commission expires: \_\_\_\_



[f:msword2000\pinemountainoilandgas\pooling.V-530176.supporder&aff]

## Exhibit "B-3" - Unleased Owners Updated 5/19/2010 V-530176

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit	
	Gas Estate Only				
12	Tax Card ID - 5928 Lewis Salyers PSC 120 Box R 125 APOAE09265	Unleased	0.20666667	0.23333333	
	Gary Salyers 515 Ridge Ave. Norton, VA 24273	Unleased	0.20666667	0.23333333	
	Shirley Osborne 520 Hopkins Street Kingsport, TN 37664	Unleased	0.20666667	0.23333333	
	Rita Matthews 921 Mago Vista Rd. Arnold, MD 21012	Unleased	0.20666667	0.23333333	
	Rita Joe Salyers 3223 Edgewood Road Kinniston, MD 20895	Unleased	0.20666667	0.23333333	
	Joe Salyers 413 Hobart Street Kingsport, TN 37664	Unleased	0.20666667	0.23333333	
14	Tax Card ID - Minerals Only Quentin Freeman 3855 S. Atlantic Ave. Daytona Beach Shores, FL 32118	Unleased	0.13600000	0.15400000	
	Martha M. Freeman PO Box 217 Coeburn, VA 24230	Unleased	0.13600000	0.15400000	
	Lewis Salyers PSC 120 Box R 125 APOAE09265	Unleased	0.02266667	0.02566667	
	Gary Salyers 515 Ridge Ave. Norton, VA 24273	Unleased	0.02266667	0.02566667	
	Shirley Osborne	Unleased	0.02266667	0.02566667	

	520 Hopkins Street Kingsport, TN 37664			
	Rita Matthews 921 Mago Vista Rd. Arnold, MD 21012	Unleased	0.02266667	0.02566667
	Rita Joe Salyers 3223 Edgewood Road Kinniston, MD 20895	Unleased	0.02266667	0.02566667
	Joe Salyers 413 Hobart Street Kingsport, TN 37664	Unleased	0.02266667	0.02566667
25	Tax Card ID - 4534 Rita Perrigan PO Box 116 Coeburn, VA 24230	Unleased	0.21400000	0.24000000
	Margie Edwards 308 Peanut Hill Drive Coeburn, VA 24230	Unleased	0.21400000	0.24000000
	Emmaline Zelma Lee Orfield 277 Alabama Street Kingsport, TN 37660	Unleased	0.21400000	0.24000000
	TOTAL GAS ESTATE		2.29000000	2.58200000

### Exhibit "E" - Escrow Owners V-530176

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
	Gas E	state Only		
22	Tax Card ID - Minerals Only The Hagan Estates, Inc. c/o The Gillespie Company PO Box 675 Tazwell, VA 24651-0675	Leased	0.10000000	0.11000000
	OR			
	Margaret Meade Bolling and Donnie R. Bolling, W/H 5512 North Pound Fork River Pound, VA 24279	Leased	0.05714286	0.06285714
	Bernard Meade and Kitty Meade, H/W 4941 Pole Bridge Road Wise, VA 24293	Leased	0.01428571	0.01571429
	Patsy Meade 122 Poos Way Coeburn, VA 24230	Leased	0.01428571	0.01571429
	Shirley J. Meade, widow 115 Fairbanks Road, Apt. # 308 Oakridge, TN 37830	Leased	0.00476190	0.00523810
	Donald Wayne Meade, single P.O. Box 312 Moravian Falls, NC 28654	Leased	0.00476190	0.00523810
	William Clyde Meade and Deborah Meade, H/W P.O. Box 312 Moravian Falls, NC 28654	Leased	0.00476190	0.00523810
24	The Hagan Estates, Inc. c/o The Gillespie Company PO Box 675 Tazwell, VA 24651-0675 Tax Card ID - Minerals Only	Leased	0.18000000	0.20000000
	OR			
	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax Card ID - 20156	Owner	0.18000000	0.20000000
	TOTAL		0.28000000	0.31000000

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### Hagy, Sharon (DMME)

From:

VITASHARE System [vitashare@vita.virginia.gov]

Sent:

Thursday, December 29, 2011 12:30 PM

To:

Hagy, Sharon (DMME)

Subject:

New Transaction SRIQB5GBPOE4KPPE

Transaction details for Sharon Hagy(user shagy\_1) \_\_\_\_\_

Job Id: SRIQB5GBPOE4KPPE

Date: Thu, Dec 29, at 12:30

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- <u>user1@virginia.gov</u>, <u>user2@virginia.gov</u>:

acourtney@mckinnisscott.com,gloria.clark@dmme.virginia.gov,phorn@rangeresources.com
Message - Describe file attachment: Please see the recorded orders for the following
dockets: 2621 2819 2994 2926-01 Let me know if you are unable to download the files. Thanks,
Sharon Hagy

Notify me when the file is downloaded?: Yes

Pin: 81000

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